operational benchmarking of 15 public sector refineries through M/s Shell Global Solutions International of the Netherlands. Under this study, performance of Indian refineries would be evaluated for certain Key Performance Indicators for comparison with refineries abroad. The results of the study are awaited. Further measures will be decided in the light of this study.

Diesel price

†*195. SHRI RAVI SHANKAR PRASAD:
SHRI RAM JETHMALANI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that in view of the falling prices of crude oil in the international market during November, 2004, the consumer price of petrol was lowered;

(b) if so, whether it is also a fact that in view of the increasing crude price in the international market during last few months, the price of petrol, diesel and LPG was increased in the country; and

(c) if so, the reasons for which the price of diesel in the country is not reduced simultaneously with the reduction in the price of petrol due to the falling price of crude?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) The Oil Marketing Companies (OMCs) pay to the refineries the prices of petrol, diesel and LPG on import parity basis taking into account the prevalent international prices of these products. OMCs in turn review the domestic consumer selling prices of these products in consultation with the Government.

As it was decided on 4.11.04 to bridge the gap between domestic retail selling prices and import parity prices of motor spirit (petrol), when import parity prices of petrol fell between 4.11.04 and 15.11.04, petrol prices were reduced *pari passu* on 15/16.11.04. However, as this led to an anomalous situation, petrol prices have been maintained at the 16th November 2004 level, since then.

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†Original notice of the question was received in Hindi.

(b) and (c) Although domestic retail selling prices of petrol, diesel and LPG have been raised from time to time, keeping in mind the increase; in international prices, other factors, including concern for relative domestic stability in the face of international volatility, have contributed to determining pricing policy. Government is constantly monitoring and keeping under careful review the prices of all sensitive petroleum products.

Voting rights to shareholders in banks

*196. SHRI RAMA MUNI REDDY SIRIGIREDDY:
SHRI ANAND SHARMA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to introduce a Bill to remove 10 per cent voting rights of shareholders in banks;

(b) if so, the details thereof;

(c) whether this would not pave the way for foreign banks to acquire private banks in the country;

(d) if so, how this helps the banking sector in the country; and

(e) the list of foreign banks which have applied to the RBI to acquire stakes in Indian banks?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) A Bill was introduced in the 13th Lok Sabha on 21.04.2003 to delete Sub-Section (2) of Section 12 of the Banking Regulation Act, 1949. Section 12(2) of the Act stipulates that no person holding shares in a Banking Company can exercise voting rights in excess of ten percent of the total voting rights of all its shareholders. The Parliamentary Standing Committee on Finance submitted its report supporting the proposed amendment. However, the Bill has lapsed due to the dissolution of the 13th Lok Sabha.

(c) In pursuance of a budget annouincment made on 28.02.2003, the Government issued a notificaiton on 05.03.2004 rasing the Foreign Direct Investment (FDI) limit in private banks from 49% to 74%. In order to regulate the flow of FDI and set up a road map for this purpose, RBI has placed in the public domain draft guidelines/discussion paper on 02.07.2004. RBI would finalise the guidelines after receiving the feedback.